



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

Date: 4/18/2008

GAIN Report Number: RS8029

Russian Federation

Product Brief

Russia Lifts Ban on U.S. Rice Imports 2008

Approved by:

Kimberly Svec
U.S. Embassy

Prepared by:

Yelena Vassilieva, Kimberly Svec, Cynthia Ann DuBois

Report Highlights:

Russia's Veterinary and Phytosanitary Surveillance Service (VPSS) recommenced issuance of import quarantine permits for U.S. rice as of January 25, 2008 and permitted entry of U.S. rice into the Russian Federation as of February 25, 2008. All shipments must be accompanied by a phytosanitary certificate, a copy of a signed letter from USDA GIPSA, and documentation indicating that the rice was tested by one of the six approved U.S. laboratories and found free of Liberty Link rice (LLRice).

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
Moscow [RS1]
[RS]

Summary

Russia's Veterinary and Phytosanitary Surveillance Service (VPSS) recommenced issuance of import quarantine permits for U.S. rice as of January 25, 2008 and permitted entry of U.S. rice into the Russian Federation as of February 25, 2008. All shipments must be accompanied by a phytosanitary certificate, a copy of a signed letter from the USDA Grain Inspection and the Packers and Stockyard Administration (GIPSA), and a report from one of six approved U.S. laboratories indicating that the rice is free of LLRice at an agreed tolerance level.

It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. Final import approval of any product is subject to the importing country's rules and regulations as interpreted by border officials at the time of product entry.

Lifting the 17-Month Ban on U.S. Rice Imports

On September 27, 2006, VPSS stopped issuing import permits for U.S. rice and recalled all previously issued permits (all types of rice and all points of origin) due to reports of a possible admixture containing unapproved LLRICE 601. On February 19, 2008, VPSS resumed the issuance of import quarantine permits for U.S. rice imports into the territory of the Russian Federation beginning January 25, 2008. On February 22, VPSS informed its regional offices of the policy change stating that U.S. rice imports would be permitted entry as of February 25, 2008. (Note that January 25 refers to the issuance of import quarantine permits and February 25 refers to entry into the Russian Federation). The central VPSS office issues import quarantine permits for U.S. rice. Shipments also must be accompanied by a phytosanitary certificate along with a report from one of six approved U.S. laboratories that the rice has been tested and is free of LLRice at an agreed tolerance level. A copy of a signed letter from USDA Grain Inspection and the Packers and Stockyard Administration (GIPSA) listing the approved laboratories must also accompany the shipment. The following U.S. laboratories are approved to test the rice and issue the required report:

1. BioDiagnostics, Inc.
2. California Seed & Plant Lab
3. Eurofins/GeneScan, Inc.
4. Midwest Seed Services
5. OMIC USA, Inc.
6. SGS North America, Inc.

U.S. rice imports to Russia are permitted through seven entry points, which reportedly have modern equipment for safety testing. Only one of these is a land entry point, Kulunda (Altay kray), while the other six are sea-port entry points: three in the Far East (the ports of Vladivostok, Vostochniy, Nakhodka) and three in European Russia (St. Petersburg, Novorossiysk, Kaliningrad).

In accordance with Russian import requirements, all imported rice (whether it is of U.S. origin or not) shall be accompanied by a phytosanitary certificate¹ and a Russian certificate of quality and safety, issued by the VPSS grain quality certification laboratory or a laboratory accredited by VPSS². Since December 2006, Russia has imposed bans and restrictions on

¹ For more information on VPSS's phytosanitary requirements see GAIN RS7011 Trade Policy Monitoring / *List of Products that Require Quarantine and Phytosanitary Certificates*

² For more information on requirements of quality certificates at exports and imports of grain and grain products see GAIN RS7064 Grain and Feed / *Grain and Oilseeds Products Subject to Quality Control at Russian Border*

rice imports from all countries due to phytosanitary concerns, due to alleged pesticide residues on imported rice. Russia has systematically negotiated terms and conditions for lifting these bans on a country-by-country basis, following inspections of rice production and quality control systems in the countries of origin, i.e. India and Thailand.

Present import duties on rice are 70 Euro (\$110.93) per metric ton, and the value added tax (VAT) on imported rice is 10 percent.

Rice Trade

Due to various rice import restrictions introduced in late 2006, Russia's total rice imports, according to Russia's State Customs data, decreased by 35 percent from 357,545 metric tons in CY 2006 to 233,279 metric tons in CY 2007, with U.S. rice imports plummeting from 4,787 metric tons to 305 metric tons. However, U.S. official Customs data (World Trade Atlas) show that U.S. rice exports to Russia decreased from 6,296 metric tons in CY 2006 (worth \$3.07 million) to 55 metric tons in CY 2007 (worth \$44,000). Russia imports high quality U.S. rice for niche consumption in restaurants and sale in high-end grocery stores. U.S. rice does not compete with domestically produced rice for the most part due to the differing varietal characteristics and quality. Given rising Russian incomes and a growing tendency for Russians to eat outside the home, the market for U.S. rice in Russia is promising.

Relevant Reports

RS6066 Grain and Feed / Russia Temporarily Bans Rice Imports

<http://www.fas.usda.gov/gainfiles/200612/146249713.pdf>

RS6069 Grain and Feed / VPSS Eases Rice Import Ban for Shipments on the Water

<http://www.fas.usda.gov/gainfiles/200612/146269766.pdf>

RS7045 Grain and Feed / Rice Situation Update

<http://www.fas.usda.gov/gainfiles/200706/146291500.pdf>

RS7054 Grain and Feed / July Rice Update

<http://www.fas.usda.gov/gainfiles/200707/146291832.pdf>

RS7069 FAIRS Export Certificate Report / Annual

<http://www.fas.usda.gov/gainfiles/200710/146292717.pdf>